GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:158
ANSWERED ON:10.12.2004
INDO-PAK AGREEMENT
Panda Shri Prabodh;Saradgi Shri Iqbal Ahmed

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the present volume of trade between India and Pakistan;

(b) whether Indo-Pak trade has increased in 2003-04 over the previous year;

(c) if so, exact potential and measures taken to achieve it;

(d) whether two day Indo-Pak Governments Secretary level talks on trade and economic cooperation was held in the month of August, 2004;

(e) if so, the details of the agreements signed;

(f) whether Minister recently visited Pakistan; and

(g) if so, the details of the discussions held in order to boost trade between both the countries?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) The two way trade between India and Pakistan during April - July 2004 has almost tripled in four months, rising to US $ 186.36 million as against US $ 64.41 million during the corresponding period last fiscal.

(b) India-Pakistan trade has increased from US $ 251.01 during 2002-2003 to US $ 344.29 million during 2003-2004 showing a positive growth of approximately 40%.

(c) to (g) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (c) TO (g) OF LOK SABRA STARRED QUESTION NO. 158 TO BE ANSWERED ON 10.12.2004 REGARDING INDO-PAK AGREEMENT BY SHRI IQBAL AHMED SARADGI AND SHRI PRABODH PANDA

(c) If the positive trend continues, total trade between India and Pakistan could cross $ 500 million during 2004-2005. There has also been a visible increase in business to business dialogues through exchange of visits and participation in trade fairs and exhibitions etc. Pakistan and India are signatories to the South Asia Free Trade Area (SAFTA) Agreement which is scheduled to come into effect from 01.01.2006 and it will give a significant boost to economic activities between the two nations. A Joint Study Group at Commerce Secretaries level of India and Pakistan is proposed to be set up to discuss trade related issues between the two countries with a view to sorting these out for mutual benefit.

(d) & (e): Yes, Sir. However, no Agreement has been signed.

(f) & (g): Commerce and Industry Minister participated in the 4th SAARC Commerce Ministers Meeting in Islamabad on November 22-23, 2004. This meeting reviewed the progress in economic cooperation since the 3rd Meeting of the SAARC Commerce Ministers. It noted with satisfaction the significant progress recorded in regional economic cooperation, in particular, the signing of the SAFTA Agreement as well as eminent finalisation of texts of draft agreements on trade facilitation measures viz. promotion and. protection of investment, SAARC Arbitrary Council, Avoidance of Double Taxation and on Customs Cooperation. On this` occasion, Commerce Ministers of India and Pakistan had a separate interaction to lay down a roadmap for promoting trade between the two countries. They agreed to set up a Joint Study Group at Commerce Secretaries` level of both the countries for evolving a strategy for boosting trade between India and Pakistan.